

**MINUTES OF MEETING
BOARD OF DIRECTORS
REGULAR MEETING
THE WOODLANDS TOWNSHIP
FEBRUARY 24, 2010**

THE STATE OF TEXAS §

COUNTIES OF HARRIS & MONTGOMERY §

The Board of Directors of The Woodlands Township met in regular session, open to the public, on February 24, 2010, posted to begin at 9:00 a.m. The meeting was held in the Meeting Room at the Township's Office, 10001 Woodloch Forest Dr., Suite 600, The Woodlands, Texas, within the boundaries of the Township. The roll was called of the duly elected and appointed members of the Board of Directors, to wit:

Nelda Luce Blair	Chairman
Lloyd W. Matthews	Vice-Chairman
Bruce Tough	Vice-Chairman
Vicki D. Richmond	Treasurer/Assistant Secretary
Alex Sutton III	Secretary
Thomas Campbell	Director
Kemba DeGroot	Director
Peggy S. Hausman	Director
Claude Hunter	Director
Robert C. Kinnear	Director
Edmund W. Robb III	Director

with all of said persons being present, excluding Director DeGroot, thus constituting a quorum. Also present for conducting business and assisting Board members were Don

Norrell, Monique Sharp, Steve Sumner, John Powers, Nick Wolda, Susan Welbes, Chief Benson, Mike Page, Renee Williford, Kim Cogburn, Taunya Jacques, and Judy Faulkner.

Chairman Blair then called the meeting to order at 9:00 a.m. She announced that a quorum was present and that sufficient notice of this meeting had been duly posted as required by law. Chairman Blair then requested a motion to adopt the regular agenda. Director Robb moved to adopt the agenda. The motion was seconded by Director Hunter and passed unanimously.

Next, Chairman Blair recognized public officials attending the meeting. J.R. Moore, Montgomery County Tax Assessor-Collector, was recognized by the Chair at this time.

Chairman Blair then called on names from the Public Comment Roster. The following individuals addressed the Board:

- Jeff Gannon-tax relief for residents over 65
- Gil Staley-job growth report (handout)
- Karen Hoylman-business community
- Larry E. Napier-over 65 tax exemption
- Mike Bass-over 65 tax exemption and RDRC Elections
- Adam Muery-spending
- Paul Martin-over age 65 & disabled property tax exemption

A copy of the Public Comment Roster and handout material are attached collectively hereto as Exhibit "A".

Chairman Blair then asked the Board to receive a presentation from J.R. Moore, Montgomery County Tax Assessor-Collector, regarding property tax collections for The

Woodlands Township. Chairman Blair called on J.R. Moore to present this item. Mr. Moore commented that The Woodlands Township's early tax collections have been very favorable. The estimated property tax revenue for the 12 month period from October 2009 through September 2010 is expected to be \$37,366,262 representing 98.1% of the levy. Don Norrell, President/General Manager for The Woodlands Township, also addressed tax collections and commented that the 2009 collection rate of 98% seemed to be very good with non collections factored in at 2%. No action was needed on this item. A copy of the Executive Summary and Mr. Moore's report are attached hereto as Exhibits "B" and "C", respectively.

Next, Chairman Blair asked the Board to receive a presentation regarding establishment of an over-65 residential homestead exemption from ad valorem taxation for The Woodlands Township. Don Norrell presented this item. Mr. Norrell referred the Board to the Executive Summary in the meeting book and explained that the Board requested the issue regarding an over-65 tax exemption be brought back in 2010 for further discussion. An over-65 tax exemption was not implemented in the 2009 tax year due to the fact that The Woodlands Township had not completed its initial budget and total revenue and expense requirements of the new organization were unknown. Mr. Norrell explained that not enough information was currently available to make an exact cost determination on the impact of granting an exemption. The Board was asked to

provide potential scenarios to J.R. Moore for an over-65 and disabled exemption and also a homestead exemption. The decision was made to ask Mr. Moore to look at a:

- \$10,000, \$15,000, \$25,000, and \$50,000 over-65 exemption; and
- \$10,000 and \$15,000 homestead exemption

This item will be included on either the April or May agenda following Mr. Moore's analysis. No action was needed at this time. A copy of the Executive Summary is attached hereto as Exhibit "D".

Chairman Blair then asked the Board to receive and consider an annual update from Tracye McDaniel, Executive Vice President and Chief Operating Officer for the Greater Houston Partnership (GHP). Ms. McDaniel reviewed economic development services provided by the GHP through an agreement with The Woodlands Township. Also, Ms. McDaniel highlighted strategic marketing efforts which promoted The Woodlands. Following the presentation, Ms. McDaniel introduced Craig Richards, Chief Economic Development Officer for the GHP and Marti Boon, Sr. Vice President of Marketing-Economic Development. No action was needed on this item.

Note: Director Robb left at this point in the meeting.

The Board was next asked to receive and consider reports from Village Association representatives. The following reports were presented:

- **Phillip Givens-Sterling Ridge Village Association** reported that the service agreement had been approved; child safety issue at Deretchin Elementary; working to finalize the by-laws by March or April; gave a report on village election results

- **Nancy Decker Lent-Creekside Park Village Association** reported that Nick Wolda and Chairman Blair were guest speakers and made a presentation on the Convention & Visitors Bureau; reported on village election results and commented that the voter turnout was low; key issues from residents included a need for a stop light at intersection of Creekside and Gosling, and information on the planning and timing of a shopping center for Creekside; gave suggestions for improving voter turnout for village elections; website update; next meeting will be March 6 at 7:00 p.m.
- **Steve Leahey-Alden Bridge Village Association** reported that Steve Sumner and Sgt. Jenkins gave an update on crime activity at the February meeting; Kendrick Skipper appointed to serve on the Law Enforcement Advisory Council; village election update and mention of low voter turnout; ready to approve service agreement with the Township; annual Spring Festival to be held on April 3, 2010 at Lakeside Park
- **Bruce Cunningham-Grogan's Mill Village Association** gave a village election update; ready to approve service agreement; reported that the Farmers' Market will open from April-June every Saturday from 8 a.m.-12 p.m.
- **Cynthia Kessinger-Cochran's Crossing Village Association** reported that the service agreement has been approved; received a crime report; announced September 11, 2010 as Astros Game Night and will sell tickets
- **Ron Kostelny-Indian Springs Village Association** reported that work is being done on 2010 budget; received a police report; Ken Schumann appointed to Parks & Recreation Advisory Council; update on village elections and looking at ways to improve voter turnout; need information on whether the Flea Market will be held this Spring

Following the reports, Chairman Blair thanked the village representatives for their leadership roles and updates. The Village Association Representatives' Sign-In Sheet is attached hereto as Exhibit "E".

Next, Chairman Blair asked the Board to consider and act upon approval of the minutes of the January 7, 2010 special meeting, the January 27, 2010 regular meeting and the January 27, 2010 special meeting of the Board of Directors of The Woodlands Township. As there were no corrections, Director Hunter moved to approve the minutes

as written. The motion was seconded by Secretary Sutton and passed unanimously. Copies of the minutes of the January 7, 2010 special meeting, January 27, 2010 regular meeting, and January 27, 2010 special meeting are attached hereto as Exhibits "F", "G", and "H", respectively.

The Board was then asked to consider and act upon a recommendation from the Project Planning and Development Committee to contract with Pierce Goodwin Alexander & Linville (PGAL) to develop the site evaluation and conceptual master plan for The Ice Rink at The Woodlands, with an amount not to exceed \$8,000. Chairman Blair called on Nick Wolda, Director of Community Relations for The Woodlands Township, to present this item. Mr. Wolda provided background information on this item to the Board as well as information received from a Request for Proposal and Qualifications (RFP&Q) process. Representatives from PGAL were then introduced. Following Mr. Wolda's presentation, Vice-Chairman Matthews moved to approve the recommendation from the Project Planning and Development Committee to contract with Pierce Alexander & Linville to develop the site evaluation and conceptual master plan for The Ice Rink at The Woodlands, with an amount not to exceed \$8,000. Secretary Sutton seconded the motion. The Chair then called for discussion. Director Hunter commented that he would like to see an emphasis placed on energy and cost efficiency measures. Director Hausman questioned whether The Ice Rink was a Board priority and best use of funds at this time. Director Campbell expressed some

reservations. Following discussion, a vote was taken. The motion passed with Directors Blair, Hunter, Kinnear, Matthews, Richmond, Sutton, and Tough voting "yes" and Directors Campbell and Hausman voting "no". A copy of the Executive Summary is attached hereto as Exhibit "I".

Next, Board members were asked to consider and act upon a recommendation from the Executive Committee concerning a request for proposal regarding legal services for covenant administration, employment law, and specialty services. Chairman Blair referred the Board to the Executive Summary and called on John Powers, Assistant General Manager for Community Services for The Woodlands Township, and Susan Welbes, Director of Human Resources for The Woodlands Township, to provide additional information and/or answer questions. Following comments from Mr. Powers, the Chair called for two separate motions. Director Campbell moved to accept the recommendation from the Executive Committee to select The Strong Firm as legal counsel for Real Estate Law and Covenant and Deed Restriction and matters relating to Parks and Recreation for a three year period from February 24, 2010 through February 24, 2013. Secretary Sutton seconded the motion. Discussion followed and then the Board voted. The motion passed unanimously.

The Board then considered the second part of the item related to legal services pertaining to Employment and Labor law. Following a few comments from Ms. Welbes, Director Hunter moved to accept the recommendation from the Executive Committee to

select Winstead Attorneys as legal counsel for Employment and Labor law for a three year period from February 24, 2010 through February 24, 2013. Vice-Chairman Matthews seconded the motion. Following discussion, the Board voted and the motion passed unanimously. Copies of the Executive Summary and related attachments are included hereto as Exhibit "J".

Chairman Blair next asked the Board to consider and act upon authorizing engagement of disclosure counsel in connection with the issuance, sale, and delivery of all bonds to be sold by The Woodlands Township. Monique Sharp, Assistant General Manager of Finance & Administration for The Woodlands Township, presented this item. Ms. Sharp provided background information noting that the Executive Committee did not make a recommendation at its meeting on February 17, 2010. At that time, the Committee directed staff to obtain more information from responders on the level of efforts and hours to complete the project. Following Ms. Sharp's presentation, Director Hausman moved to select Bracewell & Giuliani to serve as disclosure counsel in connection with the issuance, sale, and delivery of all bonds to be sold by The Woodlands Township, and authorize the President/General Manager to negotiate and execute a contract for services consistent with the proposal. Director Campbell seconded the motion. Discussion followed and then a vote was taken. The motion passed with Directors Blair, Campbell, Hausman, Hunter, Kinnear, Matthews, Richmond,

and Tough voting "yes" and Director Sutton voting "no". Copies of the Executive Summary and related attachments are included hereto as Exhibit "K".

The Board was then asked to consider and act upon approval of a Preliminary Official Statement (POS) relating to the issuance, sale, and delivery of The Woodlands Township's \$34,585,000 General Obligation Bonds, Series 2010. Chairman Blair called on Monique Sharp to present this item. Ms. Sharp introduced Drew Masterson, Managing Director of FirstSouthwest, to provide an update. Mr. Masterson informed the Board of some changes to the POS that included an amount change to \$34,610,000 and also a title change to Unlimited Tax Bonds. Following Mr. Masterson's comments, Treasurer Richmond moved to approve the current form of the Preliminary Official Statement and authorize the President/General Manager to approve a final version when it is ready. Vice-Chairman Matthews seconded the motion. Discussion followed and then a vote was taken. The motion passed unanimously. A draft of the Preliminary Official Statement is attached hereto as Exhibit "L".

Next, the Chair asked the Board to consider and act upon a recommendation from the Project Planning and Development Committee regarding an amendment to the 2010 Parks and Recreation Capital Projects program. Chairman Blair called on John Powers to present this item. Mr. Powers provided background information and reviewed various project revisions related to timing. Following Mr. Power's presentation the Chair called for a motion and second. Director Kinnear moved to accept the

recommendation from the Project Planning and Development Committee to approve the revised 2010 Parks and Recreation Capital Projects list, schedules and budgets for new pathways in Town Center as submitted with the same conditions and authorization to the President/General Manager as approved by the Board on January 27, 2010. Treasurer Richmond seconded the motion. A lengthy period of discussion followed and then a vote was taken. The motion passed with Directors Blair, Kinnear, Matthews, Richmond, Sutton, and Tough voting "yes" and Directors Campbell, Hausman, and Hunter voting "no". Copies of the Executive Summary and attachments are included hereto as Exhibit "M".

Board members were then asked to consider and act upon a presentation regarding the legal authority of the Development Standards Committee and authorize the President/General Manager to take related legal actions. John Powers was called on to present this item. Mr. Powers provided the Board with background information including an understanding of the Development Standards Committee's (DSC) authority related to taking legal actions. The Board was also informed that they would receive a quarterly litigation report. Following Mr. Powers' presentation, Director Hunter moved to recognize the authority of the DSC in the performance of its duties and authorize the President/General Manager to execute and administer all legal actions necessary to enforce the Covenants and Standard of The Woodlands but limited to those cases whose initial anticipated legal expenses are within the approved purchasing authority

for the President and are consistent with routine enforcement actions. Director Kinnear seconded the motion. A lengthy period of discussion followed during which a ten minute recess was called by the Chair. The Board then reconvened in public session and continued discussion. The Chair offered an amendment to the motion with the approval of Directors Hunter and Kinnear that would allow the President/General Manager to review any legal actions filed on behalf of the Township and bring those actions not routinely performed by the DSC before the Board. The Board also asked legal counsel to draft a resolution that would clarify to the courts the authority of the President/General Manager. Legal counsel joined in the discussion and affirmed that the Board cannot over rule the DSC's authority. Following additional discussion, the Board voted on the motion and it passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "N".

Vice-Chairman Tough left at this point in the meeting.

Next, Board members were asked to consider and act upon an award of bid for vine removal services. John Powers presented this item and recommended award of bid to Houston Grotech Services. Following Mr. Powers' presentation, Director Hunter moved to award the invasive species and vine removal bid to Houston Grotech Services for a period of thirty-six months at a cost of \$650 per day, not to exceed \$78,000 for an initial phase of removal for 2010. Vice-Chairman Matthews seconded the motion.

Discussion followed and then the Board voted. The motion passed unanimously. Copies of the Executive Summary and an attachment are included hereto as Exhibit "O".

The Board was then asked to consider and act upon an award of bid for pool chemicals. John Powers provided background information and recommended award of bid to Pool Sure. Following Mr. Powers' presentation, Director Campbell moved to award Pool Sure the bid to provide pool and fountain chemicals for 2010. The motion was seconded by Director Hunter. Discussion followed and then a vote was taken. The motion passed unanimously. Copies of the Executive Summary and an attachment are included hereto as Exhibit "P".

Chairman Blair next asked the Board to consider and act upon an award of bid for plant materials and services related to reforestation. John Powers presented this item and recommended award of bid to ApachEco. Following Mr. Powers' presentation, Director Hunter moved to award the bid for plant materials and installation related to reforestation to ApachEco for an amount not to exceed \$80,625. The motion was seconded by Director Campbell. Discussion followed and then a vote was taken. The motion passed unanimously. Copies of the Executive Summary and an attachment are included hereto as Exhibit "Q".

The Board was then asked to consider and act upon an award of bid for playground fall surfacing material. John Powers presented this item and recommended award of bid to McKenna Construction. Following Mr. Powers' presentation, Director

Hunter moved to award the bid to McKenna Construction in the amount of \$49,250 for the delivery and installation of playground fall surfacing material. The motion was seconded by Director Kinnear. Discussion followed and then a vote was taken. The motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "R".

Next, the Board was asked to authorize the President/General Manager to execute audit engagement letters with Null-Lairson and Blazek & Vetterling for Fiscal Year 2009 audits. The Chair called on Monique Sharp to present background information on this item. Ms. Sharp informed the Board that eight audits would be performed, six by Blazek & Vetterling and two by Null-Lairson. The Board was also provided with information on the fees for services and an explanation of cost increases. Following Ms. Sharp's presentation, Vice-Chairman Matthews moved to authorize the President/General Manager to execute audit engagement letters with Null-Lairson and Blazek & Vetterling in connection with the 2009 financial audits. The motion was seconded by Treasurer Richmond. Discussion followed and then a vote was taken. The motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "S".

Chairman Blair then asked Board members to consider and act upon ratifying the Investment Committee's action regarding the renewal of a 12 month Certificate of Deposit (CD) with Encore Bank. Monique Sharp presented this item. Following Ms.

Sharp's presentation, Director Campbell moved to ratify the Investment Committee's recommendation to renew a \$700,000 CD with Encore Bank for a term of 12 months at 1.7%. Director Kinnear seconded the motion. As there was no discussion, the Chair called for a vote. The motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "T".

Next, the Board was asked to consider and act upon release of Town Center Improvement District's remaining commercial restrictions on territory in the Founder's Reserve tract. Chairman Blair called on Mike Page to present this item. Mr. Page referred the Board to the Executive Summary for their review. Following brief comments from Mr. Page, Director Hunter moved to approve termination or consent to the termination of commercial land use restrictions on, and authorize the President/General Manager to release these restrictions on the Amegy Bank tract. Vice-Chairman Matthews seconded the motion. There was no discussion on this item. A vote was then taken and the motion passed unanimously. Copies of the Executive Summary and an attachment are included hereto as Exhibit "U". The Termination of Declarations of Restrictive Covenants related to the Founder's Reserve tract and an E-Filed Record of this document, filed with Montgomery County on March 11, 2010, are attached hereto as Exhibits "V" and "W", respectively.

Chairman Blair announced that there was no need for Executive Session at this time. The Chair then called for the following Administrative Reports:

- **Community Service Report given by John Powers:**
 1. Egret relocation ongoing
 2. Rob Fleming Aquatic Center received an award recognition
 3. Community Revitalization Program recognized by United Way
 4. WW Fountains closed for another week of maintenance
 5. Orientation for new and returning RDRC members will be held 3-22-10
 6. Announced Google's plan to build an ultra high speed broadband network and a related request for information to be presented at the March Executive Committee meeting
- **Community Policing Report given by Captain Andy Eason:**
 1. Update on arrests
 2. Crime statistic report
 3. Report on recruitment efforts
- **Human Resources Report given by Susan Welbes:**
 1. Update on number of positions currently recruiting for
- **The Woodlands Fire Department Report given by Chief Benson:**
 1. Recently passed an unexpected inspection

Director Hausman left at this point in the meeting.

- **The Woodlands CVB Report given by Nick Wolda:**
 1. Update on various partnerships such as the one with Continental Airlines
 2. Working with groups coming to The Woodlands such as the Texas Association of County Auditors, Lunar and Planetary Science Convention, Center for Houston's Future Retreat
 3. Update on speaking engagements at Village Association meetings, Rotary and Kiwanis meetings, etc. to promote the CVB and economic development
 4. Houston Women's Magazine featured Chairman Nelda Blair on its cover

Next, Board members were asked to consider items to be placed on the agenda for the next meeting. Director Hunter requested that staff look at conducting a resident survey and requested copies of ESD maps; Vice-Chairman Matthews requested a staff

presentation on the objectives of Economic Development; and Director Campbell requested a report on the Township's retirement plan regarding the full funded feature, and a report on the operations of the DRC and DSC. He also requested information on who has responded to the law enforcement committee.

The Chair then asked for Board announcements. Chairman Blair informed the Board that an Economic Development Zone meeting would be held immediately following the regular meeting.

As there were no further matters to come before the Board, Director Kinnear moved to adjourn. Secretary Sutton seconded the motion and it passed unanimously. The meeting was adjourned at 12:21 p.m.



A handwritten signature in blue ink, appearing to read "Alex Sutton III", is written over a horizontal line.

Alex Sutton III
Secretary, Board of Directors

EXHIBIT OMISSIONS*

EXHIBIT "A"	EXHIBIT "M"
EXHIBIT "B"	EXHIBIT "N"
EXHIBIT "C"	EXHIBIT "O"
EXHIBIT "D"	EXHIBIT "P"
EXHIBIT "E"	EXHIBIT "Q"
EXHIBIT "F"	EXHIBIT "R"
EXHIBIT "G"	EXHIBIT "S"
EXHIBIT "H"	EXHIBIT "T"
EXHIBIT "I"	EXHIBIT "U"
EXHIBIT "J"	EXHIBIT "V"
EXHIBIT "K"	EXHIBIT "W"
EXHIBIT "L"	

***To view Exhibits, please contact the Records Management Analyst at 281-210-3800.**